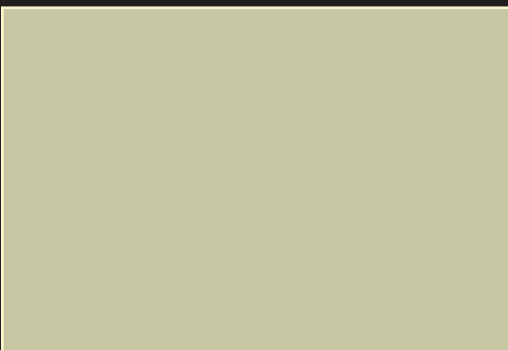


## Program qualifications for Welfare to Work

Beginning January 1, 1998, the Welfare to Work tax credit program gave tax credits to employers who hire long-term family assistance recipients. Individuals who have continued to receive AFDC/TANF for at least 18 months ending on the hiring date or ceased to receive assistance after 8/5/97 because of federal or state time limits entitle their employers for the Welfare to Work tax credit.

The credit is 35% of the first \$10,000 during the first year of employment. The credit for continued employment during the second year is 50% of the first \$10,000 in wages.

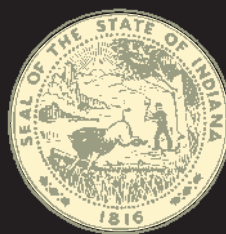
The Work Opportunity Tax Credit Program (WOTC) and Welfare to Work was developed as an incentive for employers to hire individuals who are traditionally difficult to place in jobs or have trouble gaining experience in the job market.



For information about how DWD can serve you or your business, visit the nearest WorkOne Center or visit

**[www.workforce.IN.gov](http://www.workforce.IN.gov)**

**General Information**  
**1-888-WORKONE**  
**(317)-232-7560**  
(TDD)



### Department of Workforce Development

Joseph E. Kernan, Governor  
Alan D. Degner, Commissioner  
10 North Senate Avenue  
Indianapolis, IN 46204-2277

This is an equal opportunity program.  
Auxiliary aids and services are available upon request to people with disabilities.  
For information, contact the EEO at 1-317-232-0603 or 1-317-234-3535 (TDD).

# WOTC and Welfare to Work

Information  
about the  
**Tax Credit**  
programs in  
Indiana

**WorkOne**

## Who can take the credit?

Any employer who pays taxes and wages is eligible to take advantage of the WOTC/Welfare to Work programs. If the employer has identified an applicant as WOTC/Welfare to Work eligible, the employer must:

Complete the employer section of IRS Form 8850, Pre-Screening Notice and Certification Request, and have the job seeker complete the job applicant section by the date of the job offer.

Complete ETA Form 9061 "Individual Characteristics Form" with the new employee. Secure appropriate documentation or refer the employee to the local WorkOne Center.

Mail the completed IRS and ETA forms to the Department of Workforce Development, WOTC Unit, Room 312, 10 North Senate Avenue, Indianapolis, IN 46204 **within 21 days of the employee's start date.**

The IRS Form 8850, WOTC/Welfare to Work Pre-Screening Notice and Certification Request, and the ETA Form 9061, Individual Characteristics Form, may be downloaded from the Internet at [www.workforce.IN.gov](http://www.workforce.IN.gov) or call the DWD Helpline at 1-888-967-5663.



## Who is eligible?

1. **AFDC or TANF Recipients** who have received benefits for at least nine months during the last 18 months.
2. **Veterans** who have received food stamps for at least a three month period within the last 15 months.
3. **Ex-Felons**, convicted or released from prison within the last year, who are economically disadvantaged.
4. **Youth between 18 and 24 years old** who live in specific neighborhoods located in Indianapolis with zip codes: 46201, 46202, 46205, 46208 or 46218 and also parts of the Calumet region and Austin.
5. **Vocational Rehabilitation Referrals** who have an Individual Written Rehabilitation Plan (IWRP) from an approved state or veteran's agency.
6. **Summer Youth Employees** between 16 and 17 years old, employed between May 1 and September 15, who live in an enterprise zone.
7. **Food Stamp Recipients** between the ages of 18 and 24 who received food stamps for the last six months or received assistance for at least three months out of the last five months, but are no longer eligible.
8. **Supplemental Security Income (SSI) Recipients** who received benefits for one month during the two month period prior to the hiring date.

## Earn federal tax credits.

- No limit to the number of hires
- Employers decide whom to hire
- Minimal paperwork to claim tax credit
- Employers assist job seekers most in need of employment

This is a two-tiered program that provides a 25% tax credit for the first \$6,000 in wages if the new hire works more than 120 hours (maximum credit of \$1,500).

A 40% tax credit is given if the employee works more than 400 hours (maximum credit of \$2,400).

Summer youth employees (those hired May 1 through September 15) who work 120 hours are credited for \$750, those who complete 400 hours are eligible for \$1,200.



## Who does not qualify?

There are only two limits on an employer's use of the WOTC program.

- No tax credit may be claimed for wages where employers receive federally subsidized on-the-job training payments. However, wages paid after the expiration of the on-the-job training subsidy can qualify for the credit.
- No tax credit can be claimed on wages paid to relatives or former employees.